

CONSOLIDATED STATEMENTS OF INCOME

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Net sales	¥148,779	¥164,386	\$1,484,969
Cost of sales	101,628	109,801	1,014,353
Gross profit	47,151	54,585	470,616
Selling, general and administrative expenses (Notes 16)	28,180	34,078	281,266
Operating income	18,971	20,507	189,350
Other income:			
Interest and dividend	347	228	3,463
Rent income	166	—	1,657
Equity in earnings of affiliates	41	—	409
Foreign exchange gain	—	357	—
Gain on sales of property, plant and equipment	12	—	120
Gain on sales of investments in consolidated subsidiaries and affiliates	2,850	517	28,446
Gain on sales of investments in securities	3,130	22	31,241
Gain on sales of golf membership	—	20	—
Gain on change in interest in consolidated subsidiary	511	—	5,100
Others	322	559	3,214
	7,379	1,703	73,650
Other expenses and losses:			
Interest	334	514	3,334
Loss on sales of notes receivable	134	123	1,337
Foreign exchange loss	215	—	2,146
Amortization of transitional obligation for employees' retirement benefits (Note 9)	571	818	5,699
Brand fee expense	209	—	2,086
Loss on disposal of property, plant and equipment	291	198	2,904
Loss on revision of retirement benefit plan	3,708	—	37,010
Accrued for directors' retirement benefits for prior periods	163	—	1,627
Loss on impairment of fixed assets	—	33	—
Allotment of transfer construction (Note 17)	—	300	—
Others	205	474	2,046
	5,830	2,460	58,189
Income before income taxes and minority interest	20,520	19,750	204,811
Income taxes (Note 14)			
Current	9,571	8,802	95,528
Deferred	(2,961)	(365)	(29,554)
	6,610	8,437	65,975
Income before minority interest	13,910	11,313	138,836
Minority interest in income of consolidated subsidiaries	—	484	—
Net income	¥13,910	¥10,829	\$138,836
	Yen		U.S. dollars
Net income per share of common stock	¥86.79	¥65.80	\$0.87

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2008 and 2007

Millions of yen									
	Number of Shares	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries
Balance at March 31, 2006	166,885,530	¥12,485	¥19,538	¥23,423	¥(693)	¥5,753	—	¥(159)	¥2,362
Net income				10,829					
Purchase of treasury stock					(1,474)				
Disposal of treasury stock			63		95				
Cash dividends				(2,306)					
Bonuses to directors and statutory auditors				(51)					
Net changes in items other than shareholders' equity						257	14	159	734
Balance at March 31, 2007	166,885,530	12,485	19,601	31,895	(2,072)	6,010	14	(0)	3,096
Net income				13,910					
Purchase of treasury stock					(6,326)				
Cash dividends				(1,926)					
Net changes in items other than shareholders' equity						(3,540)	9	(56)	(3,096)
Balance at March 31, 2008	166,885,530	¥12,485	¥19,601	¥43,879	¥(8,398)	¥2,470	¥23	¥(56)	—
Thousands of U.S. dollars									
	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries	
Balance at March 31, 2007	\$124,613	\$195,638	\$318,345	\$(20,681)	\$59,986	\$140	\$ (0)	\$30,901	
Net income			138,836						
Purchase of treasury stock				(63,139)					
Cash dividends			(19,223)						
Net changes in items other than shareholders' equity					(35,333)	90	(559)	(30,901)	
Balance at March 31, 2008	\$124,613	\$195,638	\$437,958	\$(83,820)	\$24,653	\$230	\$ (559)	—	

See accompanying notes to financial statements